

Northwest Louisiana Food Bank
Financial Statements With Auditors' Report
As of and for the Years Ended June 30, 2014 and 2013

Northwest Louisiana Food Bank

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Independent Auditors' Report

To the Board of Directors
Northwest Louisiana Food Bank
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Northwest Louisiana Food Bank (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Louisiana Food Bank, as of June 30, 2014, and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014, on our consideration of Northwest Louisiana Food Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northwest Louisiana Food Bank's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 10, 2014

Northwest Louisiana Food Bank
Statements of Financial Position
June 30, 2014 and 2013

Assets

	2014	2013
Current assets:		
Cash	\$ 1,861,560	\$ 1,723,052
Investments	1,015,405	795,997
Accounts receivable - grants	43,687	31,585
Accounts receivable - other	34,544	41,101
Inventory - USDA	172,942	45,495
Inventory - Other	1,197,694	925,550
Total current assets	<u>4,325,832</u>	<u>3,562,780</u>
 Property and equipment:		
Property and equipment	2,288,026	2,070,295
Accumulated depreciation	<u>(1,024,356)</u>	<u>(968,985)</u>
Net property and equipment	<u>1,263,670</u>	<u>1,101,310</u>
 Total Assets	 <u><u>\$ 5,589,502</u></u>	 <u><u>\$ 4,664,090</u></u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable	\$ 128,646	\$ 26,359
Accrued liabilities	<u>44,411</u>	<u>36,232</u>
Total current liabilities	<u>173,057</u>	<u>62,591</u>
 Net assets:		
Unrestricted:		
Operating	3,849,551	3,327,672
Fixed assets	<u>1,263,670</u>	<u>1,101,310</u>
Total unrestricted net assets	<u>5,113,221</u>	<u>4,428,982</u>
 Temporarily restricted	<u>303,224</u>	<u>172,517</u>
 Total net assets	<u>5,416,445</u>	<u>4,601,499</u>
 Total Liabilities and Net Assets	 <u><u>\$ 5,589,502</u></u>	 <u><u>\$ 4,664,090</u></u>

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Statement of Activities
For the Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support:			
Annual campaign	\$ 535,265	\$	\$ 535,265
Donations - church, corporate, individuals	397,375		397,375
Miscellaneous grants	739,815	58,620	798,435
United Way	60,591		60,591
Shared maintenance	445,457		445,457
Adopt a senior program	25,160		25,160
Miscellaneous	105,496		105,496
Rent income	13,800		13,800
Investment income	11,249		11,249
Donated food supplies	11,478,781	172,942	11,651,723
Net assets released from restrictions:			
Satisfaction of restrictions	100,855	(100,855)	
Total revenues and other support	<u>13,913,844</u>	<u>130,707</u>	<u>14,044,551</u>
Expenses:			
Program services			
Food Bank	12,522,417		12,522,417
Supporting services			
Management and general	473,377		473,377
Fund Raising	233,811		233,811
Total expenses	<u>13,229,605</u>		<u>13,229,605</u>
Changes in net assets	684,239	130,707	814,946
Net assets, beginning of year	<u>4,428,982</u>	<u>172,517</u>	<u>4,601,499</u>
Net assets, end of year	<u>\$ 5,113,221</u>	<u>\$ 303,224</u>	<u>\$ 5,416,445</u>

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Statement of Activities
For the Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support:			
Annual campaign	\$ 551,158	\$	\$ 551,158
Donations - church, corporate, individuals	352,303		352,303
Miscellaneous grants	342,720	127,022	469,742
United Way	71,096		71,096
Shared maintenance	447,983		447,983
Adopt a senior program	14,350		14,350
Miscellaneous	74,959		74,959
Rent income	14,402		14,402
Investment income	10,841		10,841
Donated food supplies	9,188,939	45,495	9,234,434
Net assets released from restrictions:			
Satisfaction of restrictions	128,471	(128,471)	
Total revenues and other support	<u>11,197,222</u>	<u>44,046</u>	<u>11,241,268</u>
Expenses:			
Program services			
Food Bank	10,132,422		10,132,422
Supporting services			
Management and general	382,373		382,373
Fund Raising	155,606		155,606
Total expenses	<u>10,670,401</u>		<u>10,670,401</u>
Changes in net assets	526,821	44,046	570,867
Net assets, beginning of year	<u>3,902,161</u>	<u>128,471</u>	<u>4,030,632</u>
Net assets, end of year	<u>\$ 4,428,982</u>	<u>\$ 172,517</u>	<u>\$ 4,601,499</u>

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Statement of Functional Expenses
For the Year Ended June 30, 2014

	Program Services	Support Services			Total
	Food Bank	Management & General	Fund Raising	Total	
Expenses					
Accounting	\$	\$ 14,725	\$	\$ 14,725	\$ 14,725
Auto	69,669				69,669
Advertising			72,609	72,609	72,609
Computer expense	535	8,573	3,823	12,396	12,931
Contract labor	4,832	13,165		13,165	17,997
Depreciation	70,053				70,053
Dues & subscriptions		9,000	1,023	10,023	10,023
Food costs	11,933,224		672	672	11,933,896
Freight	135,589				135,589
Fringe	19,790	102,086	9,453	111,539	131,329
Insurance	45	43,927	394	44,321	44,366
Mileage	66	305	115	420	486
Newsletter			12,278	12,278	12,278
Office supplies	6,615	6,003	1,387	7,390	14,005
Postage	23	835	2,753	3,588	3,611
Repairs & maintenance	22,325	46,597		46,597	68,922
Salaries	221,754	177,104	104,190	281,294	503,048
Supplies	5,170				5,170
Telephone	3,244	3,877	570	4,447	7,691
Travel	9,100	4,650	4,212	8,862	17,962
Utilities	5,304	24,742		24,742	30,046
Waste disposal	826	3,405		3,405	4,231
Miscellaneous	14,253	14,383	20,332	34,715	48,968
Total Expenses	<u>\$ 12,522,417</u>	<u>\$ 473,377</u>	<u>\$ 233,811</u>	<u>\$ 707,188</u>	<u>\$ 13,229,605</u>

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Statement of Functional Expenses
For the Year Ended June 30, 2013

	Program Services	Support Services			
	Food Bank	Management & General	Fund Raising	Total	Total
Expenses					
Accounting	\$	\$ 14,600	\$	\$ 14,600	\$ 14,600
Auto	50,807	46	13	59	50,866
Advertising			25,725	25,725	25,725
Computer expense	2,349	11,454	251	11,705	14,054
Contract labor	1,186				1,186
Depreciation	77,157	4,010		4,010	81,167
Dues & subscriptions		11,717		11,717	11,717
Food costs	9,632,636		11,327	11,327	9,643,963
Freight	74,539				74,539
Fringe	29,555	76,518	6,812	83,330	112,885
Insurance	68	41,907	517	42,424	42,492
Mileage	26	369	401	770	796
Newsletter			18,037	18,037	18,037
Office supplies			171	171	171
Postage		1,667	1,594	3,261	3,261
Repairs & maintenance	21,582	1,950		1,950	23,532
Salaries	198,701	151,766	87,938	239,704	438,405
Supplies	15,136	6,467		6,467	21,603
Telephone	2,979	4,269	30	4,299	7,278
Travel	9,112	5,687	1,717	7,404	16,516
Utilities	7,340	25,129		25,129	32,469
Waste disposal	2,755	2,740		2,740	5,495
Miscellaneous	6,494	22,077	1,073	23,150	29,644
Total Expenses	<u>\$ 10,132,422</u>	<u>\$ 382,373</u>	<u>\$ 155,606</u>	<u>\$ 537,979</u>	<u>\$ 10,670,401</u>

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Statements of Cash Flows
For the Years Ended June 30, 2014 and 2013

Operating Activities

	2014	2013
Change in net assets	\$ 814,946	\$ 570,867
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	70,053	81,167
Unrealized (gain) loss on investments	(9,296)	(3,920)
Realized (gain) loss on investments	(8,032)	(7,066)
Donation of stock	(9,580)	(2,045)
(Increase) decrease in operating assets:		
Accounts receivable	(5,545)	62,927
Inventory - USDA	(127,447)	15,066
Inventory - other	(272,144)	(66,140)
Increase (decrease) in operating liabilities:		
Accounts payable	(4,154)	(813)
Accrued liabilities	8,179	(4,679)
Net cash provided by operating activities	<u>456,980</u>	<u>645,364</u>

Investing Activities

Purchase of investments	(200,000)	(200,000)
Sale of investments	7,500	
Payments for property and equipment	<u>(125,972)</u>	<u>(42,714)</u>
Net cash (used) in investing activities	<u>(318,472)</u>	<u>(242,714)</u>

Net increase in cash	138,508	402,650
Cash as of beginning of year	<u>1,723,052</u>	<u>1,320,402</u>
Cash as of end of year	<u>\$ 1,861,560</u>	<u>\$ 1,723,052</u>

Supplemental Cash flow Disclosures:

Noncash Investing Transactions:

Donated stock	<u>\$ 9,580</u>	<u>\$ 2,045</u>
	<u>\$ 9,580</u>	<u>\$ 2,045</u>
Acquisition of property		
Cost of property and equipment	\$ 232,413	\$
Vendor payable for property and equipment	(106,441)	
Cash payment for property and equipment	<u>\$ 125,972</u>	<u>\$</u>

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2014 and 2013

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Northwest Louisiana Food Bank (the Food Bank) was organized in Shreveport during 1996 for the purpose of distributing food and commodities to various group feeding centers and food pantries in the parishes of Caddo, Bossier, Red River, Webster, Desoto, Claiborne, and Bienville in North Louisiana.

The Organization receives United States Department of Agriculture (USDA) donated food commodities for use in feeding needy households under the Food Bank Program. The Organization assumes full responsibility for all matters pertinent to the receipt, handling, storage, protection, accountability, and use of donated food commodities. The Organization also receives funding for administrative costs to support product maintenance.

Since June, 2003, The Northwest Louisiana Food Bank is the regional certified affiliate of America's Second Harvest, a national food bank organization located in Chicago, Illinois that links over 200 affiliated food banks with donations from over 250 major donors.

The Organization relies heavily on community volunteers or individuals doing community services as a condition of probation. The Organization relies on food donations from Second Harvest and related affiliates as well as donations from the United States Department of Agriculture, churches, benevolent trusts, corporations, and United Way to fund the daily operations.

B. Basis of Accounting

The financial statements of the Food Bank have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

The Food Bank is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income taxes. However, income from certain activities not directly related to the Food Bank's tax-exempt purpose is subject to taxation as unrelated business income. The Food Bank had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2011, 2012, 2013, and 2014 are subject to examination by the IRS, generally three years after they were filed.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2014 and 2013
(Continued)

F. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Food Bank considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. *Depreciation is computed using the straight-line method over the estimated useful life of each asset.* The Federal government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds there from is subject to federal regulations. The Food Bank has adopted a policy to capitalize expenditures for property and equipment with a unit cost of \$1,000 or more.

H. Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

I. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

J. Investments

Investments in equity securities with readily determinable fair values are reported at their fair value based on quoted market prices in the statement of financial position. Investments in certificates of deposit are reported at surrender value which approximates fair value. Realized and unrealized gains and losses are included in investment return, along with interest and dividends, in the statement of activities.

K. Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1") and the lowest priority to unobservable inputs ("Level 3"). The three levels of the fair value hierarchy are described as follows:

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2014 and 2013
(Continued)

Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2: significant other observable inputs than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject the Food Bank to concentrations of credit risk consist principally of temporary cash investments and accounts receivable. Concentrations of credit risk with respect to accounts receivable are limited due to the receivables being small in nature and from several different entities and amounts due from governmental agencies under contractual terms. The Food Bank maintains cash balances at financial institutions and a money market account held by an investment broker. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000 at financial institutions. Securities Investor Protection Corporation (SIPC) insures funds on deposit with the investment broker up to \$500,000. The Food Bank had uninsured cash balances of \$1,438,885 and \$1,261,904 at June 30, 2014 and 2013, respectively.

(3) Investments

Investments in equity securities are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). Investments in certificates of deposits are recorded at cost as of the purchase date then subsequently adjusted to fair value as of the reporting date. The fair value of certificates of deposit is determined by using a discounted cash flow calculation that applies interest rates currently being offered for deposits of similar remaining maturities to a schedule of expected maturities on the certificates. This results in a Level 2 fair value measurement. Investments as of June 30, 2014 and 2013 consisted of the following:

	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Equities	\$ 49,697	\$ 31,023	\$ 38,321	\$ 28,944
Certificates of deposits	965,708	965,708	757,676	757,676
	<u>\$1,015,405</u>	<u>\$ 996,731</u>	<u>\$ 795,997</u>	<u>\$ 786,620</u>

For the year ended June 30, 2014, unrealized investment gain was \$9,296 and realized investment gain was \$8,032. For the year ended June 30, 2013, unrealized investment gain was \$3,920 and realized investment gain was \$7,066.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2014 and 2013
(Continued)

(4) Accounts Receivable – Grants

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at June 30, 2014 and 2013, but received after those dates.

(5) Property and Equipment

Property and equipment consisted of the following at June 30, 2014 and 2013:

	Estimated Depreciable Life	2014	2013
Buildings and improvements	7–39 years	\$ 1,130,902	\$ 1,130,902
Furniture and equipment	5–10 years	916,107	698,376
Land		241,017	241,017
Accumulated depreciation		<u>(1,024,356)</u>	<u>(968,985)</u>
Net investment in property and equipment		<u>\$ 1,263,670</u>	<u>\$ 1,101,310</u>

Depreciation expense for the years ended June 30, 2014 and 2013 was \$70,053 and \$81,167, respectively.

(6) Accrued Liabilities

Accrued liabilities consisted of the following at June 30, 2014 and 2013:

	2014	2013
Accrued leave payable	\$ 7,488	\$ 7,488
Accrued payroll	21,556	17,479
Payroll taxes payable	<u>15,367</u>	<u>11,265</u>
	<u>\$ 44,411</u>	<u>\$ 36,232</u>

(7) Retirement Plan

The Food Bank provides for a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) under Section 408(p) of the Internal Revenue Code. The plan covers full-time employees of the Food Bank. The Food Bank contributes a matching contribution equal to the employee's contributions up to a limit of 3% of the employee's compensation for the calendar year. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The amount contributed by the Food Bank to retirement plans on the employees behalf for the years ended June 30, 2014 and 2013, was \$8,700 and \$5,998, respectively.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2014 and 2013
(Continued)

(8) Inventory

Purchased inventory is carried at cost, while inventory acquired from the United States Department of Agriculture is valued at fair market value. Donated inventory is based on the average price per pound as determined by the National Office of Second Harvest. This price was \$1.72 for 2014 and \$1.69 for 2013.

(9) Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2014 and 2013 are available for the following purposes:

	<u>2014</u>	<u>2013</u>
USDA commodities in inventory	\$ 172,942	\$ 45,495
Backpack program	70,295	56,731
SNAP program	22,018	-
Food purchase	37,969	70,291
	<u>\$ 303,224</u>	<u>\$ 172,517</u>

(10) Concentrations and Dependence

The Food Bank entered into an agreement with the Louisiana Department of Agriculture and Forestry, Food Distribution Division, for the operation of a Food Distribution Program. The agreement is permanent, unless terminated by the Louisiana Department of Agriculture and Forestry for failing to comply with the provisions, instructions, or procedures outlined in the agreement. Under the terms of the agreement, commodities from the United States Department of Agriculture are passed through the Louisiana Department of Agriculture to the Food Bank for distribution. During the years ended June 30, 2014 and 2013, approximately 8% and 13%, respectively, of the total food donations received by the Food Bank were commodities from the Louisiana Department of Agriculture. During the years ended June 30, 2014 and 2013, approximately 23% and 33%, respectively, of the total shared maintenance received by the Food Bank was from the Louisiana Department of Agriculture.

(11) Subsequent Events

Subsequent events have been evaluated through December 10, 2014, the date the financial statements were available to be issued.

Northwest Louisiana Food Bank
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Homeland Security</u>			
Passed through a local governing board Emergency Food and Shelter Program	97.024	Unknown	\$ 6,000
<u>U.S. Department of Agriculture and Forestry</u>			
Passed through the Louisiana Department of Agriculture and Forestry Emergency Food Assistance Program			
Food Commodities	10.569	Unknown	791,913
Administrative Costs	10.568	Unknown	101,790
Passed through the Louisiana Department of Education			
Child and Adult Care Food Program	10.558	Unknown	294,201
Summer Food Service Program	10.559	Unknown	<u>32,376</u>
Total Expenditures of Federal Awards			<u>\$ 1,226,280</u>

NOTE 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

NOTE 2: Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and distributed.
At June 30, 2014, the Food Bank had food commodities in inventory totaling \$172,942.

COOK & MOREHART

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Report on Internal Control Over Financial Reporting and on Compliance
And Other Matters Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards

Independent Auditors' Report

To the Board of Directors
Northwest Louisiana Food Bank

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Northwest Louisiana Food Bank, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northwest Louisiana Food Bank's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northwest Louisiana Food Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest Louisiana Food Bank's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northwest Louisiana Food Bank's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 10, 2014

COOK & MOREHART

Certified Public Accountants

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Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133

Independent Auditors' Report

To the Board of Directors
Northwest Louisiana Food Bank

Report on Compliance for Each Major Federal Program

We have audited Northwest Louisiana Food Bank's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Northwest Louisiana Food Bank's major federal programs for the year ended June 30, 2014. Northwest Louisiana Food Bank's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Northwest Louisiana Food Bank's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northwest Louisiana Food Bank's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Northwest Louisiana Food Bank's compliance.

Opinion on Each Major Federal Program

In our opinion, Northwest Louisiana Food Bank complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

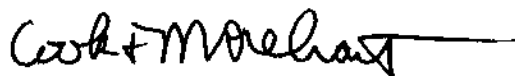
Report on Internal Control Over Compliance

Management of Northwest Louisiana Food Bank is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northwest Louisiana Food Bank's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness Northwest Louisiana Food Bank's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 10, 2014

Northwest Louisiana Food Bank
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
June 30, 2014

There were no findings or questioned costs related to federal awards programs for the audit for the year ended June 30, 2013.

Schedule of Findings and Questioned Costs
June 30, 2014

A. Summary of Audit Results

1. The auditors' report expresses an unmodified opinion on the financial statements of Northwest Louisiana Food Bank, Inc.
2. No significant deficiencies are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Northwest Louisiana Food Bank, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Northwest Louisiana Food Bank, Inc. expresses an unmodified opinion.
6. There are no audit findings relative to the major federal award programs for Northwest Louisiana Food Bank, Inc. reported in Part C. of this Schedule.
7. The program tested as a major program includes: 1) Emergency Food Assistance Program CFDA 10.569 and 10.568.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Northwest Louisiana Food Bank, Inc. qualifies as a low-risk auditee.

B. Findings – Financial Statements Audit: None

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None

Northwest Louisiana Food Bank
Shreveport, Louisiana
Schedule of Audit Findings For Louisiana Legislative Auditor
June 30, 2014

There were no findings for the prior audit period for the year ended June 30, 2013.

There are no findings for the current audit period for the year ended June 30, 2014.